

Supercomnet Technologies Bhd

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New product offering to drive revenue

- Established track record, backed by long-term clientele such as New York Stock Exchange-listed Edwards Lifesciences Corp and Denmark-based Ambu whom have business dealings for more than 10 years on average.
- Cables and medical devices are approved by the European Medical Agency and the US Food and Drug Administration (FDA).
- Commencement of new production namely Rotational Thrombectomy Device for a European company, which has started in the 2Q21 will be a new revenue booster over the foreseeable future. Technically, the short-term consolidation breakout above RM1.64 may lift price higher to target the next resistances at RM1.74-1.84 with long term target at RM2.02.

SCOMNET daily: Short-term consolidation breakout



M+ Wiz

SUPERCOMNET TECHNOLOGIES BHD

Last Price (RM)	1.40
5 Day Change (%)	0.0
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	76.9
52Week Range Percentile (%)	85.0
Volatility 30D	49.9
EMA9, EMA20, EMA60 Trend	Consolidation
Price vs. EMA20 (%)	4.7
DMI DI+	23.0
DMI DI-	28.0
ADX	22.1
Price Skew	DOWN
RSI 14D	69.0
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	86.9

Bloomberg

Trading Catalyst

- Supercomnet Technologies Bhd (SCOMNET) engages in the production of wires and cables for medical devices, electrical appliances, consumer electronics and automotive components. Scomnet counts New York Stock Exchange-listed Edwards Lifesciences Corp and Denmark-based Ambu as its two main customers, both whom have business dealings for more than 10 years on average.
- We like SCOMNET for its position as one of the leading medical and electrical wire and cable producer in Malaysia with continuous expansion of new products rollout over the years to cater for the ever-growing market. Meanwhile, note that the cables and medical devices are approved by the European Medical Agency and the US Food and Drug Administration (FDA).
- With the new rollout of products offering in 2H20, net profit in FY20 expanded 21.3% YoY to RM23.5m. For FY21, the commencement of new production namely

Financial snapshot

FYE Dec	FY20	FY21f	FY22f
Revenue (RM m)	128.4	173.5	234.0
Net profit (RM m)	23.5	30.0	48.0
Shares (m)	677.0	677.0	677.0
EPS (sen)	3.5	4.4	7.1
DPS (sen)	1.0	2.0	3.0
P/E (x)	48.1	37.7	23.6
DY (%)	0.6	1.2	1.8

Bloomberg

Rotational Thrombectomy Device for a European company, which has started in the 2Q21 will be a new revenue booster over the foreseeable future.

Technical Outlook

- Technically, price has pullback since April 2021 before finding some stability in recent weeks. Following the price recovery which experienced a short-term consolidation breakout above RM1.64, price may trend higher to target the next resistances at RM1.74-1.84 with long term target at RM2.02. Support is pegged at RM1.57 and cut loss is located at RM1.56.

Glossary

Last Price (RM)	Last closing price
5 Day Change (%)	Percent change in price over the last five days. The formula is: [(Last Trade - Closing Price Five Days Ago) / Closing Price Five Days Ago] x 100.
1 Day Range Percentile (%)	Calculates the percentile value within the 1-day range
5 Day Range Percentile (%)	Calculates the percentile value within the 5-day range
52 Week Range Percentile (%)	Calculates the percentile value within the 52-week range
Volatility 30D	A measure of the risk of price moves for a security calculated from the standard deviation of day-to-day logarithmic historical price changes. The 30-day price volatility equals the annualised standard deviation of the relative price change for the 30 most recent trading days closing price, expressed as a percentage.
EMA9, EMA20, EMA60 Trend	If EMA9 is greater than EMA20 and EMA20 is greater than EMA60 it will be stated as Uptrend. If the EMA9 is lesser than EMA20 and the EMA20 is lesser than EMA60, it will be stated as Downtrend, otherwise Consolidation.
Price vs. EMA20 (%)	Position of the price away from the EMA20 level
DMI DI+	Positive directional movement.
DMI DI-	Negative directional movement.
ADX	ADX is a moving average of the directional movement index.
Price Skew	If the average of 20 days closing price is greater than 20 days Median price, it will be stated Up. If the average of 20 days closing price is lower than 20 days Median price, it will be stated Down.
RSI 14D	RSI measures the momentum of a security to determine whether it is in an overbought or oversold condition. If RSI 14 days is greater or equal to 70, it will be stated Overbought.
RSI OB/OS	If the RSI 14 days is greater or equal to 50, but lower than 70, it will be stated Positive. If the RSI 14 days is greater than 30, but lower than 50, it will be stated Negative. If the RSI 14 days is lower or equal to 30, it will be stated Oversold.
Price vs. Bollinger Band (%)	Position of the price compare to the Bollinger band in percentage